

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 76

97TH GENERAL ASSEMBLY

Reported from the Committee on Education, May 15, 2013, with recommendation that the Senate Committee Substitute do pass.

0477S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 161.209, 162.081, 162.083, and 163.410, RSMo, and to enact in lieu thereof five new sections relating to school accreditation, with an emergency clause for certain sections.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 161.209, 162.081, 162.083, and 163.410, RSMo, are
2 repealed and five new sections enacted in lieu thereof, to be known as sections
3 161.209, 162.081, 162.083, 162.1300, and 163.410, to read as follows:

161.209. 1. The department of elementary and secondary education has
2 an affirmative duty to seek comment on its rules, regulations, and policies after
3 their final approval or implementation. The department shall undertake such
4 review on existing rules, regulations, and policies on an ad hoc, periodic basis
5 with a priority given to such rules, regulations, and policies that could
6 successfully be revised without affecting student achievement to accommodate
7 periods when there is no increase in the appropriation for basic state aid funding
8 pursuant to section 163.031 from one fiscal year to the next or when withholdings
9 of appropriated funds result in a situation equivalent to no increase in such
10 appropriation.

11 2. For [fiscal years 2011, 2012, and 2013, if] **any fiscal year in which**
12 the appropriation for subsections 1 and 2 of section 163.031 is less than the
13 annualized calculation of the amount needed for [the phase-in required under
14 subsection 4 for] that fiscal year or the appropriation for transportation as
15 provided in subsection 3 of section 163.031 is funded at a level that provides less
16 than seventy-five percent of allowable costs, the department shall not penalize

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 any district [undergoing its accreditation review] for a failure to meet resource
18 standards under the Missouri school improvement program. If the governor
19 withholds funds for the school funding formula basic apportionment under section
20 163.031 in [fiscal years 2011, 2012, and 2013] **any fiscal year**, school districts
21 [undergoing accreditation review] in the fiscal year following the fiscal year of
22 withholding shall not be penalized for failure to meet resource standards under
23 the Missouri school improvement program.

162.081. 1. Whenever any school district in this state fails or refuses in
2 any school year to provide for the minimum school term required by section
3 163.021 or is classified unaccredited [for two successive school years by the state
4 board of education, its corporate organization shall lapse. The corporate
5 organization of any school district that is classified as unaccredited shall lapse
6 on June thirtieth of the second full school year of such unaccredited classification
7 after the school year during which the unaccredited classification is initially
8 assigned. The territory theretofore embraced within any district that lapses
9 pursuant to this section or any portion thereof may be attached to any district for
10 school purposes by the state board of education; but no school district, except a
11 district classified as unaccredited pursuant to section 163.023 and section 160.538
12 shall lapse where provision is lawfully made for the attendance of the pupils of
13 the district at another school district that is classified as provisionally accredited
14 or accredited by the state board of education], **the state board of education**
15 **shall:**

16 **(1) Review the governance of the district to establish the**
17 **conditions under which the existing school board shall continue to**
18 **govern; or**

19 **(2) Determine the date the district shall lapse and determine an**
20 **alternative governing structure for the district.**

21 2. [Prior to or] **If** at the time any school district in this state shall [lapse,
22 but after the school district has been] **be** classified as unaccredited, the
23 department of elementary and secondary education shall conduct [a] **at least**
24 **two** public [hearing] **hearings** at a location in the unaccredited school district
25 **regarding the accreditation status of the school district. The hearings**
26 **shall provide an opportunity to convene community resources that may**
27 **be useful or necessary in supporting the school district as it attempts**
28 **to return to accredited status, continues under revised governance, or**
29 **plans for continuity of educational services and resources upon its**

30 **attachment to a neighboring district. The department may request the**
31 **attendance of stakeholders and district officials to review the district's**
32 **plan to return to accredited status, if any; offer technical assistance;**
33 **and facilitate and coordinate community resources.** [The purpose of the
34 hearing shall be to:

35 (1) Review any plan by the district to return to accredited status; or

36 (2) Offer any technical assistance that can be provided to the district.

37 3. Except as otherwise provided in section 162.1100, in a metropolitan
38 school district or an urban school district containing most or all of a city with a
39 population greater than three hundred fifty thousand inhabitants and in any
40 other school district if the local board of education does not anticipate a return
41 to accredited status, the state board of education may appoint a special
42 administrative board to supervise the financial operations, maintain and preserve
43 the financial assets or, if warranted, continue operation of the educational
44 programs within the district or what provisions might otherwise be made in the
45 best interest of the education of the children of the district. The special
46 administrative board shall consist of two persons who are residents of the school
47 district, who shall serve without compensation, and a professional administrator,
48 who shall chair the board and shall be compensated, as determined by the state
49 board of education, in whole or in part with funds from the district.

50 4.] **3. Upon [lapse of the district] classification of a district as**
51 **unaccredited**, the state board of education may:

52 (1) **Allow continued governance by the existing school district**
53 **board of education under terms and conditions established by the state**
54 **board of education; or**

55 (2) **Lapse the corporate organization of the unaccredited district**
56 **and:**

57 (a) Appoint a special administrative board, [if such a board has not
58 already been appointed, and authorize the special administrative board to retain
59 the authority granted to a board of education] for the operation of all or part of
60 the district. **The number of members of the special administrative board**
61 **shall not be less than five, the majority of whom shall be residents of**
62 **the district. The members of the special administrative board shall**
63 **reflect the population characteristics of the district and shall**
64 **collectively possess strong experience in school governance,**
65 **management and finance, and leadership. Any special administrative**

66 board appointed under this section shall be responsible for the
67 operation of the district until such time that the district is classified by
68 the state board of education as provisionally accredited for two
69 successive academic years, after which time the state board of
70 education may provide for a transition pursuant to section 162.083; or

71 **[(2)] (b) Determine an alternative governing structure for the**
72 **district including, at a minimum:**

73 **a. A rationale for the decision to use an alternative form of**
74 **governance and in the absence of the district's achievement of full**
75 **accreditation, the state board of education shall review and recertify**
76 **the alternative form of governance every three years;**

77 **b. A method for the residents of the district to provide public**
78 **comment after a stated period of time or upon achievement of specified**
79 **academic objectives;**

80 **c. Expectations for progress on academic achievement, which**
81 **shall include an anticipated time line for the district to reach full**
82 **accreditation; and**

83 **d. Annual reports to the general assembly and the governor on**
84 **the progress towards accreditation of any district that has been**
85 **declared unaccredited and is placed under an alternative form of**
86 **governance, including a review of the effectiveness of the alternative**
87 **governance; or**

88 **(c) Attach the territory of the lapsed district to another district or**
89 **districts for school purposes; or**

90 **[(3)] (d) Establish one or more school districts within the territory of the**
91 **lapsed district, with a governance structure [consistent with the laws applicable**
92 **to districts of a similar size] specified by the state board of education, with**
93 **the option of permitting a district to remain intact for the purposes of assessing,**
94 **collecting, and distributing property taxes, to be distributed equitably on a**
95 **weighted average daily attendance basis, but to be divided for operational**
96 **purposes, which shall take effect sixty days after the adjournment of the regular**
97 **session of the general assembly next following the state board's decision unless**
98 **a statute or concurrent resolution is enacted to nullify the state board's decision**
99 **prior to such effective date. [The special administrative board may retain the**
100 **authority granted to a board of education for the operation of the lapsed school**
101 **district under the laws of the state in effect at the time of the lapse.]**

102 **[5.] 4. A special administrative board appointed under this**
103 **section shall retain the authority granted to a board of education for**
104 **the operation of the lapsed school district under the laws of the state**
105 **in effect at the time of the lapse and may enter into contracts with**
106 **accredited school districts or other education service providers in**
107 **order to deliver high quality educational programs to the residents of**
108 **the district. If a student graduates while attending a school building**
109 **in the district that is operated under a contract with an accredited**
110 **school district as specified under this subsection, the student shall**
111 **receive his or her diploma from the accredited school district. The**
112 **authority of the special administrative board shall expire at the end of the third**
113 **full school year following its appointment, unless extended by the state board of**
114 **education. If the lapsed district is reassigned, the special administrative board**
115 **shall provide an accounting of all funds, assets and liabilities of the lapsed**
116 **district and transfer such funds, assets, and liabilities of the lapsed district as**
117 **determined by the state board of education. Neither the special**
118 **administrative board nor its members or employees shall be deemed to**
119 **be the state or a state agency for any purpose, including section**
120 **105.711, et seq. The state of Missouri, its agencies and employees, shall**
121 **be absolutely immune from liability for any and all acts or omissions**
122 **relating to or in any way involving the lapsed district, the special**
123 **administrative board, its members or employees. Such immunities, and**
124 **immunity doctrines as exist or may hereafter exist benefitting boards**
125 **of education, their members and their employees shall be available to**
126 **the special administrative board, its members and employees.**

127 [6. Upon recommendation of the special administrative board, the state
128 board of education may assign the funds, assets and liabilities of the lapsed
129 district to another district or districts. Upon assignment, all authority of the
130 special administrative board shall transfer to the assigned districts.

131 **7.] 5.** Neither the special administrative board nor any district or other
132 entity assigned territory, assets or funds from a lapsed district shall be
133 considered a successor entity for the purpose of employment contracts,
134 unemployment compensation payment pursuant to section 288.110, or any other
135 purpose.

136 **[8.] 6.** If additional teachers are needed by a district as a result of
137 increased enrollment due to the annexation of territory of a lapsed or dissolved

138 district, such district shall grant an employment interview to any permanent
139 teacher of the lapsed or dissolved district upon the request of such permanent
140 teacher.

141 [9. (1) The governing body of a school district, upon an initial declaration
142 by the state board of education that such district is provisionally accredited, may,
143 and, upon an initial declaration by the state board of education that such district
144 is unaccredited, shall develop a plan to be submitted to the voters of the school
145 district to divide the school district if the district cannot attain accreditation
146 within three years of the initial declaration that such district is unaccredited. In
147 the case of such a district being declared unaccredited, such plan shall be
148 presented to the voters of the district before the district lapses. In the case of
149 such a district being declared provisionally accredited, such plan may be
150 presented before the close of the current accreditation cycle.

151 (2) The plan may provide that the school district shall remain intact for
152 the purposes of assessing, collecting and distributing taxes for support of the
153 schools, and the governing body of the district shall develop a plan for the
154 distribution of such taxes equitably on a per-pupil basis if the district selects this
155 option.

156 (3) The makeup of the new districts shall be racially balanced as far as
157 the proportions of students allow.

158 (4) If a majority of the district's voters approve the plan, the state board
159 of education shall cooperate with the local board of education to implement the
160 plan, which may include use of the provisions of this section to provide an orderly
161 transition to new school districts and achievement of accredited status for such
162 districts.

163 10.] 7. In the event that a school district with an enrollment in excess of
164 five thousand pupils lapses, no school district shall have all or any part of such
165 lapsed school district attached without the approval of the board of the receiving
166 school district.

162.083. 1. The state board of education may appoint additional members
2 to any special administrative board appointed under section 162.081.

3 2. The state board of education may set a final term of office for any
4 member of a special administrative board, after which a successor member shall
5 be elected by the voters of the district.

6 (1) All final terms of office for members of the special administrative
7 board established under this section shall expire on June thirtieth.

8 (2) The election of a successor member shall occur on the general
9 municipal election day immediately prior to the expiration of the final term of
10 office.

11 (3) The election shall be conducted in a manner consistent with the
12 election laws applicable to the school district.

13 3. Nothing in this section shall be construed as barring an otherwise
14 qualified member of the special administrative board from standing for an elected
15 term on the board.

16 4. [If the state board of education appoints a successor member to replace
17 the chair of the special administrative board, the serving members of the special
18 administrative board shall be authorized to appoint a superintendent of schools
19 and contract for his or her services.

20 5.] On a date set by the state board of education, any district operating
21 under the governance of a special administrative board shall return to local
22 governance, and continue operation as a school district as otherwise authorized
23 by law.

**162.1300. If a change in school district boundary lines occurs
2 under section 162.223, 162.431, 162.441, or 162.451, or by action of the
3 state board of education under section 162.081, including attachment
4 of a school district's territory to another district or dissolution, such
5 that a school district receives additional students as a result of such
6 change, the statewide assessment scores and all other performance data
7 for those students whom the district received shall not be used for
8 three years when calculating the performance of the receiving district
9 for three school years for purposes of the Missouri school improvement
10 program.**

163.410. 1. Notwithstanding the provisions of section 163.021, in [fiscal
2 years 2011, 2012, and 2013, if] **any fiscal year in which** the appropriation for
3 subsections 1 and 2 of section 163.031 is less than the annualized calculation of
4 the amount needed [for the phase-in required under subsection 4 of section
5 163.031] for that fiscal year or the appropriation for transportation as provided
6 in subsection 3 of section 163.031 is funded at a level that provides less than
7 seventy-five percent of allowable costs, school districts shall be excused from
8 compliance with:

9 (1) Spending funds for professional development as required under
10 subsection 1 of section 160.530; and

11 (2) The fund placement and expenditure requirements of subsection 6 of
12 section 163.031.

13 2. If the governor withholds funds for the school funding formula basic
14 apportionment under section 163.031, in [fiscal years 2011, 2012, and 2013,] **any**
15 **fiscal year following 2013**, school districts shall be excused from compliance
16 with the statutes listed in subsection 1 of this section in the following fiscal year.

 Section B. Because of the need to provide immediate guidance on the
2 operations of unaccredited districts, the repeal and reenactment of sections
3 162.081 and 162.083 and the enactment of section 162.1300 of this act is deemed
4 necessary for the immediate preservation of the public health, welfare, peace and
5 safety, and is hereby declared to be an emergency act within the meaning of the
6 constitution, and the repeal and reenactment of sections 162.081 and 162.083 and
7 the enactment of section 162.1300 of this act shall be in full force and effect upon
8 its passage and approval.

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Bill

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